

56-1434

19 APR 1956

MEMORANDUM FOR: Legislative Counsel

THROUGH: Deputy Director (Support)

SUBJECT: S. 3237, A Bill to Provide for Continuance of Life Insurance Coverage Under the Federal Employees' Group Life Insurance Act of 1954, as Amended, in the Case of Employees Receiving Benefits Under the Federal Employees' Compensation Act.

1. S. 3237 proposes to rectify an inequity in the Federal Employees' Group Life Insurance Act of 1954. Under the employees' compensation law, an employee disabled in the performance of duty may receive employees' compensation if he is disabled through no fault of his own and, as a result of the disability, is unable to perform his duties. However, when such disability occurs, the employee is removed from the payroll of his agency and is placed on the disability roll of the Bureau of Employees' Compensation. While he is in this status, he is not an employee technically and, therefore, is not in receipt of salary payments, which is an eligibility requirement for Federal Employees' Group Life Insurance (FEGLI). In such an instance, the current FEGLI law provides that insurance coverage ceases 12 months after discontinuation of an employee's salary payments. As a consequence, an employee with an ailment or disability continuing beyond 12 months is without insurance protection beyond this period. S. 3237 proposes that insurance would be continued in effect as long as the Bureau of Employees' Compensation considers the employee to be unable to return to duty.

2. The Office of Personnel favors the proposed continuance of insurance under the circumstances indicated above, and, accordingly, recommends the Agency's active support for the subject measure in its present form. We request that the Office of Personnel be kept current relative to any discussions, reports and developments concerning the measure, and we would appreciate an opportunity to make further comments in the event subsequent legislative action on the bill results in any material alteration of the proposal.

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Harrison G. Reynolds
Director of Personnel

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FORM NO. 527 Replaces Form 30-1 which may be used.

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